

Message Text

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ACTION EA-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-05 H-01 INR-10

L-03 NSAE-00 NSC-05 PA-01 SP-02 SS-15 ICA-11

AID-05 COME-00 EB-08 FRB-03 TRSE-00 XMB-02

OPIC-03 LAB-04 SIL-01 OMB-01 AGRE-00 /093 W

-----022270 062100Z /63

R 060930Z APR 78

FM AMEMBASSY MANILA

TO SECSTATE WASHDC 4007

LIMITED OFFICIAL USE SECTION 1 OF 2 MANILA 5491

E. O. 11652: NA

TAGS: ELAB, RP

SUBJECT: RESTRUCTURING OF PHILIPPINE TRADE UNIONS CONTINUES

REF: A) MANILA A-277, B) MANILA 13895, C) MANILA 19313 D) MANILA
A-28

1. SUMMARY: ON APRIL 2 THE BEVERAGE INDUSTRY WAS
RESTRUCTURED, SO THAT NOW THERE IS ONLY ONE TRADE UNION
FEDERATION IN THAT INDUSTRY. THIS WAS THE FOURTH INDUSTRY
TO BE RESTRUCTURED. THIS CONVENTION WAS CONVENED IN
SPITE OF THE THREE PETITIONS BEFORE THE SUPREME COURT
THAT RESTRUCTURING BE DECLARED UNCONSTITUTIONAL. TUCP
OFFICERS ARE "100 0/0 CONFIDENT" THAT THE SUPREME COURT
WILL REJECT THE THREE CHARGES. THE SAN MIGUEL CORPORATION
MANAGEMENT ATTEMPTED TO INFLUENCE THE SELECTION OF
OFFICERS IN THE NEW UNION AND FAILED. THIS CONVENTION
ALSO REPRESENTS A POLITICALLY BOLD STEP ON THE PART OF
THE GOVERNMENT IN THIS PRE-ELECTION PERIOD. END SUMMARY.

2. ON APRIL 2, 100 PLUS DELEGATES FROM 49 LOCAL UNIONS
REPRESENTING 21,000 WORKERS CONVENED THEIR BEVERAGE
INDUSTRY NATIONAL UNION RESTRUCTURING AND UNIFICATION
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CONVENTION. THE CONVENTION WAS CHAIRED BY AURELIO
INTERTAS, CHAIRMAN OF THE INDUSTRY UNION ORGANIZING
COMMITTEE (IUOC). INTERTAS IS PRESIDENT OF THE PEPSI-
COLA LOCAL AND WAS THE AGREED CANDIDATE FOR PRESIDENT
OF THE NEW INDUSTRIAL UNION. PABLITO DE VILLA, PRESIDENT
OF SAN MIGUEL BREWERIES LOCAL, THE LARGEST LOCAL IN THE
NEW UNION. THE IUOC HAD OVERALL RESPONSIBILITY

TO PREPARE A PROPOSED CONSTITUTION AND A PROPOSED LIST OF OFFICERS AND EXECUTIVE BOARD FOR THE NEW UNION. THE CONVENTION WAS JUST A FORMALITY, OFFICIALLY APPROVING EVERYTHING THE IUOC HAD RECOMMENDED INCLUDING THE OFFICERS OF THE UNION. ACCORDINGLY THE BEVERAGE INDUSTRY NATIONAL UNION (BINU) WILL HAVE A PRESIDENT, SECRETARY GENERAL AND 27 VICE PRESIDENTS EACH OF WHOM ARE PRESIDENTS OF A LOCAL UNION IN THE INDUSTRY. ONE OF THE KEY CONDITIONS FOR BEING AN OFFICER OF THE INDUSTRIAL UNION IS RETAINING THE PRESIDENCY OF A LOCAL UNION IN THE INDUSTRY. SHOULD AN OFFICER OF THE INDUSTRIAL UNION FAIL TO BE REELECTED PRESIDENT OF HIS LOCAL UNION, HE IS AUTOMATICALLY DEPOSED AS AN OFFICER OF THE INDUSTRIAL UNION. THIS REQUIREMENT PLACES CONSIDERABLE CONTROL OF THE INDUSTRIAL UNION IN THE HANDS OF THE RANK AND FILE OF THE LOCAL UNIONS.

3. AS A SUB-INDUSTRY UNION OF THE FOOD AND ALLIED INDUSTRY NATIONAL TRADE UNION (NTU). THE BINU WILL HAVE JURISDICTION OVER THE FOLLOWING: A) DISTILLING, RECTIFYING AND BLENDING OF SPIRITS; B) WINE, RHUM, AND WHISKEY MANUFACTURING; C) BREWERIES AND THE MANUFACTURING OF MALT LIQUORS AND D) SOFT DRINKS, CARBONATED WATER AND RELATED INDUSTRIES. THE CONSTITUTION PROVIDES THAT THE SUBINDUSTRY UNION MUST BECOME A PERMANENT AFFILIATE OF THE TRADE UNION CONGRESS OF THE PHILIPPINES (TUCP). ALL MEMBERS WILL PAY FOUR PESOS LIMITED OFFICIAL USE

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PER MONTH DUES. THE UNION WILL PAY 50 CENTAVOS PER MEMBER PER MONTH TO THE NTU AND 50 CENTAVOS PER MEMBER PER MONTH TO THE TUCP. OFFICER WILL HOLD OFFICE FOR THREE YEARS AND A NATIONAL CONVENTION WILL BE HELD EVERY THREE YEARS. THE PRESIDENT IS THE CHIEF EXECUTIVE OFFICER AND AMONGH OTHER THINGS IS REQUIRED TO APPOINT A DIRECTOR FOR THE FOLLOWING DEPARTMENTS: INTERNATIONAL AFFAIRS, EDUCATION AND RESEARCH, COLLECTIVE BARGAINING, ORGANIZATION AND POLITICAL AFFAIRS, ECONOMIC AND LEGAL AFFAIRS.

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R 060930Z APR 78

FM AMEMBASSY MANILA

TO SECSTATE WASHDC 4008

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4. COMMENT: AS REFTELS SHOW, THERE WERE THREE RESTRUCTURED UNIONS BEFORE THE BINU WAS CREATED. REFTELS C AND D REFER TO THE CHALLENGE TO RESTRUCTURING BEING MADE THROUGH THREE BRIEFS FILED WITH THE SUPREME COURT CALLING FOR THE COURT TO DECLARE RESTRUCTURING UNCONSTITUTIONAL. THE BINU CONVENTION IS PARTICULARLY SIGNIFICANT IN THAT, WHILE WAITING FOR THE COURT TO ACT, THE TUCP IS CONTINUING TO SCHEDULE RESTRUCTURING CONVENTIONS. TUCP OFFICERS ARE "100 0/0 CONFIDENT" THAT THE COURT WILL REJECT THE CLAIMS OF THOSE OPPOSED TO RESTRUCTURING. ANOTHER ELEMENT IN THE RESTRUCTURING CONUNDRUM PRESENTED ITSELF IN THE PRELIMINARY DISCUSSIONS FOR THE RESTRUCTURING OF BINU. THE MANAGEMENT OF SAN MIGUEL CORPORTION (SMC), UPON LEARNING THAT THE PRESIDENT OF THE PEPSI COLA LOCAL WAS SLATED TO BE PRESIDENT OF THE BINU, MADE BEHIND-THE-SCENES EFFORTS TO INTERFERE WITH THAT DECISION WHILE FAVORING THE SMC LOCAL PRESIDENT. THE TUCP OFFICIALS CONSIDERED THE SMC LOCAL PRESIDENT TO BE A WEAK MAN AND DID NOT WANT TO HAVE THE BINU DOMINATED BY THE EMPLOYER AND ALTHOUGH THE SMC LOCAL IS THE LARGEST IN MEMBERSHIP, THEY RESISTED THE INTRUSION FROM MANAGEMENT-- AND WON. THE BOLD DECISION TO CONTINUE WITH RESTRUCTURING AS PLANNED INVOLVED SOME POLITICAL RISK WITH REGARD TO THE APRIL 7 IBP ELECTIONS. THE SECOND AND THIRD LARGES UNIONS
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IN THE RP EACH HAVE A BRIEF BEFORE THE SUPREME COURT. SINCE THE DEPARTMENT OF LABOR ENDORSED THE CONTINUATION OF RESTRUCTURING, AND LABOR UNDERSECRETARY INCIONG ADDRESSED THE DELEGATES, OBSERVERS COULD WELL CALCULATE THAT THESE TWO UNIONS AT LEAST WOULD BE UNHAPPY WITH THE GOVERNMENT AT A TIME WHEN THE GOVERNMENT NEEDS AND WANTS ALL THE FRIENDS IT CAN GET.
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